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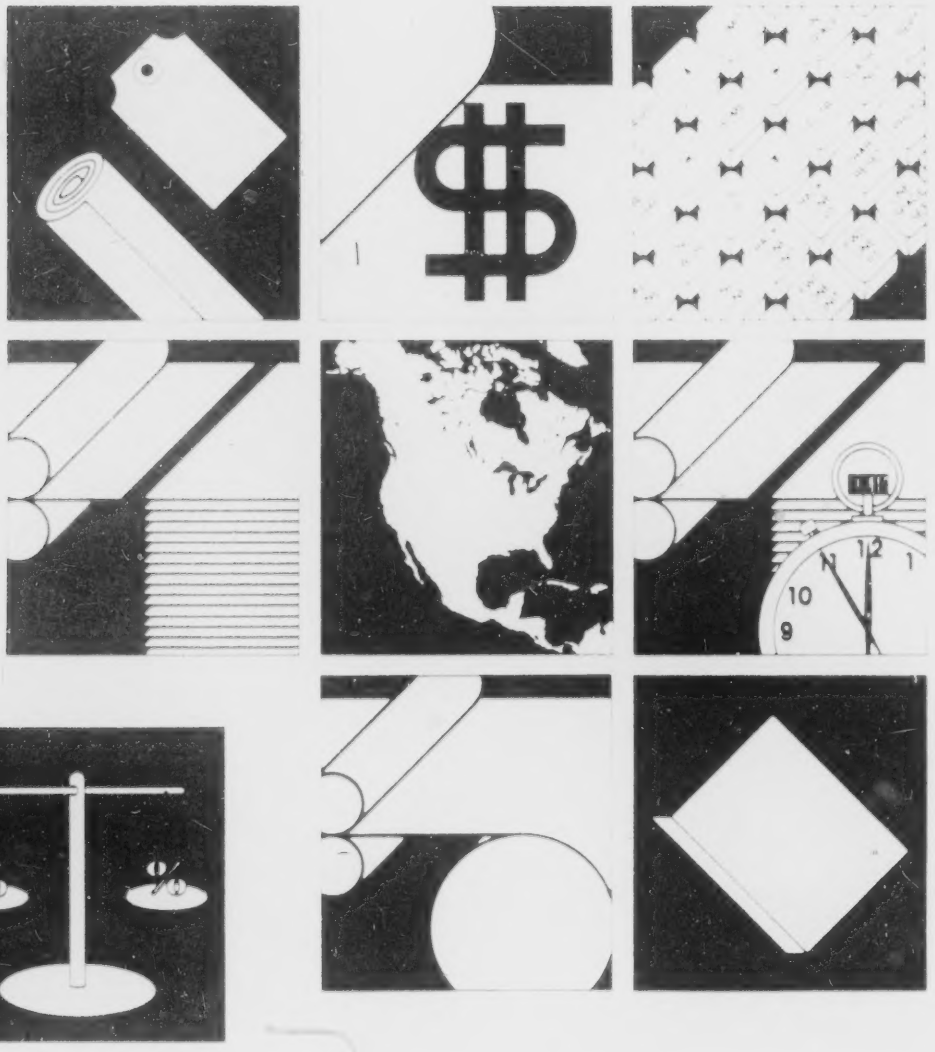
1987 Financial Ratio Study



Volume IX

Book Manufacturers

Volume IX: Book Manufacturers

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

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PRINTING INDUSTRIES OF AMERICA, INC.

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1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 34 Book Manufacturers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $500,000 to $1,500,000, sales from $1,500,000 to $5,000,000, etc.; by process specialty - for example, sheet-fed offset, web-fed offset or combination offset; and by product specialty - for example, printing and binding or printing only. Readers can compare their firm's operations with other firms having the same sales volume, process specialty or product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

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VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	46.59	42.50	57.42
FACTORY EXPENSES	21.09	20.59	17.20
TOTAL FACTORY COST OF PRODUCT	67.68	63.09	74.62
GROSS PROFIT	32.32	36.91	25.38
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.72	11.16	18.08
Selling expenses	10.48	9.32	5.95
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.20	20.48	24.03
INCOME BEFORE INTEREST EXPENSE	8.12	16.43	1.35
Interest expense	3.42	2.36	3.17
OPERATING INCOME (LOSS)	4.70	14.07	(1.82)
Other income (expense)	1.81	2.79	(1.27)
INCOME (LOSS) BEFORE INCOME TAXES	6.51	16.86	(3.09)

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
47.90	45.28	41.79	45.02	42.93
21.89	23.26	22.83	19.46	18.63
69.79	68.54	64.62	64.48	61.56
30.21	31.46	35.38	35.52	38.44
14.63	13.21	11.22	12.82	11.67
9.74	9.52	8.71	12.43	10.40
24.37	22.73	19.93	25.25	22.07
5.84	8.73	15.45	10.27	16.37
4.91	3.27	3.51	2.54	1.47
0.93	5.46	11.94	7.73	14.90
1.82	2.34	5.23	1.86	2.11
2.75	7.80	17.17	9.59	17.01

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.86%	2.67%	4.20%
Direct wages	31.00	26.84	41.51
General factory salaries and wages	4.56	4.92	2.07
Packing, shipping and delivery wages	0.95	1.36	0.00
Payroll taxes	3.26	2.52	4.79
Employee benefits	3.96	4.19	4.85
TOTAL FACTORY PAYROLL	46.59	42.50	57.42
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.51	0.49	0.00
Depreciation - other	4.95	5.81	4.50
Taxes - real estate	0.35	0.28	0.57
Taxes - other	0.34	0.41	0.18
Insurance	0.75	0.67	1.41
Building rent	1.36	0.74	2.74
Utilities - heat, light, etc.	2.16	1.87	2.66
Equipment rental	0.30	0.20	0.00
Total Fixed Expenses	10.72	10.47	12.06
Other Expenses			
Factory supplies and expense	4.33	4.52	1.26
Packing, shipping and delivery expense	1.65	2.21	0.87
Repairs and maintenance	2.94	2.48	2.24
Other factory expenses	1.45	0.91	0.77
Total Other Expenses	10.37	10.12	5.14
TOTAL FACTORY EXPENSES	21.09	20.59	17.20
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.92	2.54	6.41
Salaries - office	3.66	2.59	5.09
Payroll taxes	0.48	0.36	0.78
Employee benefits	0.94	0.99	0.51
Bad debts	0.65	0.54	(0.06)
Office supplies and expenses	0.67	0.43	0.63
Professional fees	1.00	0.64	1.13
Taxes - business	0.41	0.46	0.28
Telephone	0.60	0.50	1.10
Other administrative expenses	2.39	2.11	2.21
TOTAL ADMINISTRATIVE EXPENSES	13.72	11.16	18.08
SELLING EXPENSES			
Salaries - executive	1.29	0.99	0.00
Salaries and commissions - salesmen	4.71	3.66	2.91
Salaries - sales office clerical	1.13	1.49	0.00
Payroll taxes	0.37	0.24	0.40
Employee benefits	0.38	0.46	0.31
Advertising	0.32	0.18	0.25
Travel and entertainment	1.00	1.14	1.36
Other selling expenses	1.28	1.16	0.72
TOTAL SELLING EXPENSES	10.48	9.32	5.95

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.77%	2.52%	1.62%	3.67%	3.64%
34.82	32.34	32.24	25.71	22.72
3.04	3.47	1.66	6.83	7.36
0.53	0.90	1.50	1.43	1.51
3.53	2.83	2.12	3.16	2.61
4.21	3.22	2.65	4.22	5.09
47.90	45.28	41.79	45.02	42.93
0.28	0.31	0.51	0.91	0.55
5.15	6.64	9.08	3.57	3.93
0.46	0.26	0.21	0.32	0.29
0.21	0.42	0.00	0.40	0.68
0.81	0.82	0.50	0.54	0.58
1.55	1.78	1.20	0.68	0.25
2.13	2.10	1.43	2.15	2.12
0.23	0.45	0.00	0.29	0.34
10.82	12.78	12.93	8.86	8.74
4.44	3.35	2.98	5.45	5.53
2.29	1.71	2.41	1.29	1.26
2.83	3.49	4.08	2.71	1.81
1.51	1.93	0.43	1.15	1.29
11.07	10.48	9.90	10.60	9.89
21.89	23.26	22.83	19.46	18.63
3.49	2.85	2.56	2.07	2.49
4.31	3.30	2.63	3.30	2.54
0.63	0.37	0.37	0.40	0.35
0.62	1.29	0.55	0.95	1.30
0.53	1.04	0.72	0.54	0.52
0.87	0.67	0.70	0.55	0.27
1.23	0.95	0.91	0.85	0.57
0.25	0.30	0.29	0.62	0.62
0.71	0.66	0.80	0.39	0.34
1.99	1.78	1.70	3.15	2.67
14.63	13.21	11.23	12.82	11.67
1.23	1.40	0.90	1.44	1.20
4.81	4.75	3.88	4.86	3.59
0.60	0.77	1.49	1.96	1.74
0.32	0.29	0.06	0.46	0.35
0.28	0.25	0.11	0.57	0.69
0.42	0.31	0.09	0.28	0.19
0.95	1.08	1.63	0.91	0.98
1.13	0.67	0.55	1.95	1.66
9.74	9.52	8.71	12.43	10.40

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	24.40	26.07	16.98
Other chargeable materials	6.74	6.69	7.34
Outside services	7.67	6.34	10.17
TOTAL MATERIALS	38.81	39.10	34.49
FACTORY PAYROLL	28.80	26.02	36.49
FACTORY EXPENSES	12.79	12.42	12.06
TOTAL FACTORY COST OF PRODUCT	80.40	77.54	83.04
GROSS PROFIT	19.60	22.46	16.96
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.28	6.78	11.70
Selling expenses	6.48	5.71	3.50
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.76	12.49	15.20
INCOME BEFORE INTEREST EXPENSE	4.84	9.97	1.76
Interest expense	2.02	1.39	2.19
OPERATING INCOME (LOSS)	2.82	8.58	(0.43)
Other income (expense)	1.06	1.66	(0.86)
INCOME (LOSS) BEFORE INCOME TAXES	3.88	10.24	(1.29)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.11%	1.25%	0.70%
Film	1.33	1.22	1.05
Plates	1.66	1.69	2.24
Other chargeable materials	2.64	2.53	3.35
TOTAL OTHER CHARGEABLE MATERIALS	6.74	6.69	7.34
OUTSIDE SERVICES			
Composition	0.99	2.56	0.07
Offset preparation	0.64	0.22	0.00
Printing	0.54	0.44	0.00
Binding	4.36	1.22	9.46
Other outside services	1.14	1.90	0.64
TOTAL OUTSIDE SERVICES	7.67	6.34	10.17

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
21.99	27.28	30.62	25.00	22.47
7.49	6.06	6.34	6.65	6.87
10.06	7.64	3.92	5.65	8.59
39.54	40.98	40.88	37.30	37.93
29.66	27.16	24.94	28.28	26.75
12.88	13.69	13.38	12.14	11.48
82.08	81.83	79.20	77.72	76.16
17.92	18.17	20.80	22.28	23.84
8.76	7.61	6.62	7.94	7.20
5.98	5.57	5.06	7.99	6.52
14.74	13.18	11.68	15.93	13.72
3.18	4.99	9.12	6.35	10.12
2.89	1.84	2.03	1.53	0.88
0.29	3.15	7.09	4.82	9.24
1.06	1.35	3.04	1.13	1.28
1.35	4.50	10.13	5.95	10.52
1.36%	1.22%	1.07%	0.98%	1.38%
1.22	0.93	0.55	1.65	1.28
1.88	1.72	1.71	1.41	1.59
3.03	2.19	3.01	2.61	2.62
7.49	6.06	6.34	6.65	6.87
1.21	0.22	0.00	1.59	3.50
1.82	0.42	0.00	0.34	0.30
0.95	0.54	0.00	0.41	0.60
5.53	5.27	0.00	1.87	1.67
0.55	1.19	3.92	1.44	2.52
10.06	7.64	3.92	5.65	8.59

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.76%	1.67%	2.53%
Direct wages	19.05	16.28	27.13
General factory salaries and wages	2.95	3.07	1.22
Packing, shipping and delivery wages	0.57	0.81	0.00
Payroll taxes	2.05	1.57	3.08
Employee benefits	2.42	2.62	2.53
TOTAL FACTORY PAYROLL	28.80	26.02	36.49
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.32	0.30	0.00
Depreciation - other	2.92	3.45	3.29
Taxes - real estate	0.23	0.17	0.47
Taxes - other	0.21	0.25	0.15
Insurance	0.46	0.41	0.72
Building rent	0.84	0.42	2.24
Utilities - heat, light, etc.	1.33	1.14	1.62
Equipment rental	0.20	0.13	0.00
Total Fixed Expenses	6.51	6.27	8.49
Other Expenses			
Factory supplies and expense	2.66	2.81	0.91
Packing, shipping and delivery expense	0.98	1.30	0.57
Repairs and maintenance	1.78	1.50	1.71
Other factory expenses	0.86	0.54	0.38
Total Other Expenses	6.28	6.15	3.57
TOTAL FACTORY EXPENSES	12.79	12.42	12.06
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.79	1.56	3.83
Salaries - office	2.20	1.57	3.69
Payroll taxes	0.29	0.22	0.47
Employee benefits	0.56	0.61	0.26
Bad debts	0.36	0.33	(0.11)
Office supplies and expenses	0.41	0.26	0.39
Professional fees	0.63	0.38	0.77
Taxes - business	0.24	0.27	0.14
Telephone	0.36	0.30	0.63
Other administrative expenses	1.44	1.28	1.63
TOTAL ADMINISTRATIVE EXPENSES	8.28	6.78	11.70
SELLING EXPENSES			
Salaries - executive	0.78	0.60	0.00
Salaries and commissions - salesmen	2.95	2.22	1.76
Salaries - sales office clerical	0.69	0.93	0.00
Payroll taxes	0.23	0.15	0.22
Employee benefits	0.24	0.29	0.15
Advertising	0.19	0.11	0.20
Travel and entertainment	0.60	0.69	0.82
Other selling expenses	0.80	0.72	0.35
TOTAL SELLING EXPENSES	6.48	5.71	3.50

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.19%	1.37%	0.95%	2.33%	2.30%
21.25	19.41	19.23	16.03	14.03
2.06	2.25	0.99	4.35	4.63
0.33	0.52	0.88	0.86	0.91
2.21	1.73	1.28	2.02	1.66
2.62	1.88	1.61	2.69	3.22
29.66	27.16	24.94	28.28	26.75
0.16	0.19	0.30	0.59	0.34
2.90	3.81	5.28	2.19	2.40
0.28	0.16	0.12	0.20	0.19
0.13	0.25	0.00	0.25	0.41
0.51	0.52	0.30	0.34	0.36
0.99	1.05	0.69	0.36	0.12
1.32	1.27	0.85	1.34	1.32
0.14	0.31	0.00	0.18	0.21
6.43	7.56	7.54	5.45	5.35
2.57	1.97	1.79	3.51	3.48
1.34	0.98	1.38	0.79	0.75
1.63	2.05	2.42	1.69	1.12
0.91	1.13	0.25	0.70	0.78
6.45	6.13	5.84	6.69	6.13
12.88	13.69	13.38	12.14	11.48
2.15	1.70	1.53	1.29	1.56
2.48	1.84	1.54	2.08	1.57
0.38	0.21	0.22	0.25	0.22
0.40	0.73	0.34	0.58	0.80
0.27	0.55	0.41	0.34	0.32
0.53	0.39	0.43	0.34	0.17
0.80	0.58	0.53	0.52	0.35
0.15	0.18	0.16	0.38	0.37
0.43	0.39	0.47	0.25	0.21
1.17	1.04	0.99	1.91	1.63
8.76	7.61	6.62	7.94	7.20
0.76	0.82	0.52	0.88	0.73
3.01	2.81	2.22	3.21	2.28
0.34	0.46	0.90	1.22	1.11
0.21	0.17	0.03	0.30	0.22
0.18	0.14	0.06	0.36	0.43
0.24	0.17	0.05	0.17	0.11
0.56	0.63	0.95	0.57	0.61
0.68	0.37	0.33	1.28	1.03
5.98	5.57	5.06	7.99	6.52

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	2.58%	4.88%	(0.19)%
Receivables	33.63	31.66	18.71
Inventories	16.70	13.36	19.78
Other current assets	2.89	1.80	2.72
TOTAL CURRENT ASSETS	55.80	51.70	41.02
FIXED ASSETS			
Real estate	15.18	13.39	17.81
Less: Accumulated depreciation	4.35	3.85	1.33
	10.83	9.54	16.48
Machinery and equipment	63.56	60.87	78.78
Less: Accumulated depreciation	36.19	28.98	42.39
	27.37	31.89	36.39
Other fixed assets	5.74	3.42	8.95
Less: Accumulated depreciation	3.25	1.71	2.94
	2.49	1.71	6.01
NET FIXED ASSETS	40.69	43.14	58.88
OTHER ASSETS	3.51	5.16	0.10
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	13.70	4.48	1.22
Accounts payable	15.35	12.13	6.91
Other current liabilities	12.53	13.59	5.65
TOTAL CURRENT LIABILITIES	41.58	30.20	13.78
LONG-TERM LIABILITIES	25.70	27.16	16.47
TOTAL LIABILITIES	67.28	57.36	30.25
SHAREHOLDERS' AND PROPRIETORS' EQUITY	32.72	42.64	69.75
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.34	1.71	2.98
QUICK RATIO	0.94	1.27	1.54
TOTAL LIABILITIES TO EQUITY	2.06	1.35	0.43
LONG-TERM LIABILITIES TO EQUITY	0.79	0.64	0.24
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.57	0.48	0.54

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.74%	3.48%	6.36%	2.89%	4.73%
35.85	37.17	33.64	31.68	33.59
16.48	16.89	14.29	16.23	12.63
1.87	3.64	1.93	3.04	1.14
55.94	61.18	56.22	53.84	52.09
13.91	10.93	10.84	18.92	15.82
3.29	4.77	3.89	5.21	4.45
10.62	6.16	6.95	13.71	11.37
80.61	65.39	74.47	48.61	51.06
51.79	37.79	40.54	23.21	22.58
28.82	27.60	33.93	24.80	28.48
7.15	6.06	4.31	4.02	2.50
4.42	3.72	2.84	2.13	1.01
2.73	2.34	1.47	1.89	1.49
42.17	36.10	42.35	40.40	41.34
1.89	2.72	1.43	5.76	6.57
100.00	100.00	100.00	100.00	100.00
27.29	14.00	8.30	5.98	0.94
22.59	17.18	14.87	10.23	11.00
11.04	7.93	11.37	18.15	15.81
60.92	39.11	34.54	34.36	27.75
31.78	18.77	24.31	28.26	25.96
92.70	57.88	58.85	62.62	53.71
7.30	42.12	41.15	37.38	46.29
100.00	100.00	100.00	100.00	100.00
0.92	1.56	1.63	1.57	1.88
0.65	1.13	1.21	1.09	1.42
12.70	1.37	1.43	1.68	1.16
4.35	0.45	0.59	0.76	0.56
0.64	0.58	0.54	0.48	0.44

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 36,670	$ 45,992	$ 27,431
Average assets per factory employee (Excluding Executives)	47,692	57,339	36,221
Average net worth per employee - All employees	12,431	18,857	17,691
Average gross plant investment per factory employee (Excluding Executives)	38,625	43,941	39,536
Net worth percentage of fixed assets	89.33%	118.72%	118.05%
EMPLOYEES			
Percent factory - All employees	81.79%	84.56%	80.73%
Percent administrative - All employees	10.09	8.13	15.39
Percent sales - All employees	8.12	7.31	3.88
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 69,044	$ 77,618	$ 50,636
Sales per factory employee	85,586	91,760	63,360
Sales less material per factory employee	50,222	55,884	36,830
Sales per administrative employee	792,912	1,100,008	325,453
EXCLUDING EXECUTIVES			
Sales per employee - All employees	74,664	83,391	58,204
Sales per factory employee	90,287	96,683	67,190
Sales less material per factory employee	52,976	58,970	38,891
SALES PER SALESMAN	1,151,684	1,527,506	299,502
SALES TO CURRENT ASSETS	367%	353%	458%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.54%	34.17%	46.87%
Factory payroll percentage of gross plant investment	77.02	64.16	60.52
Payroll per employee - All employees	$ 25,098	$ 26,375	$ 22,418
Payroll per factory employee	22,807	23,665	21,736
Payroll per administrative employee	35,190	43,402	24,759
Payroll per sales employee	40,407	46,739	27,266
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,767	$ 20,402	$ 17,308
Payroll per factory employee	18,618	19,126	17,071
Payroll per administrative employee	19,137	19,313	16,693
Payroll per sales employee	33,984	39,545	22,249
EXECUTIVE PAYROLL			
Payroll per executive - All executives	44,976	50,940	32,485
Payroll per factory executive	28,888	27,957	32,184
Payroll per administrative executive	62,357	73,564	34,153
Payroll per sales executive	45,285	52,670	0
RECEIVABLES			
Collection period	65.2	71.0	40.9
PROFIT			
Gross profit percentage of sales	19.60%	22.46%	16.96%
Average gross profit per factory employee	$ 17,721	$ 22,103	$ 9,675
Income (loss) before taxes percentage of sales	3.88%	10.24%	(1.29)%
Average income (loss) before taxes per employee	$ 2,976	$ 8,071	$ (1,193)

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 32,126	$ 37,863	$ 41,345	$ 40,319	$ 47,856
41,234	50,466	51,790	51,794	60,772
3,717	16,064	16,137	14,861	21,312
38,764	41,954	46,893	35,828	41,646
17.02%	141.67%	144.75%	94.73%	118.04%
80.62%	81.30%	83.52%	83.13%	83.96%
11.61	10.30	9.10	8.06	7.91
7.77	8.40	7.38	8.81	8.13
$ 65,603	$ 72,579	$ 64,864	$ 71,540	$ 81,725
82,009	92,246	77,948	86,358	97,304
47,100	51,510	45,960	53,454	60,307
619,751	771,355	716,228	1,001,293	1,242,064
70,234	78,234	68,436	77,517	89,222
84,124	97,815	80,183	92,317	104,392
48,462	54,305	47,251	57,247	64,805
551,036	889,831	813,139	1,890,535	2,017,747
403%	347%	315%	343%	345%
39.57%	36.04%	32.31%	38.46%	35.66%
68.16	90.60	55.11	75.25	70.90
$ 23,923	$ 24,888	$ 20,826	$ 26,485	$ 28,859
22,110	22,919	19,039	23,368	25,784
31,112	33,865	26,399	40,637	50,193
39,846	35,360	31,926	46,700	47,060
$ 19,369	$ 19,790	$ 17,422	$ 20,403	$ 21,480
18,386	19,128	16,426	18,624	20,174
19,712	17,176	14,067	20,624	19,452
35,487	30,879	31,151	37,137	36,675
33,987	53,922	55,698	47,625	45,294
19,492	33,749	26,161	31,146	33,514
40,239	80,185	74,151	68,295	73,773
13,058	41,817	21,146	77,230	77,210
62.0	69.9	81.7	67.7	72.9
17.92%	18.17%	20.80%	22.28%	23.84%
$ 14,750	$ 17,552	$ 17,148	$ 21,147	$ 25,075
1.35%	4.50%	10.13%	5.95%	10.52%
$ 1,308	$ 2,966	$ 6,602	$ 4,779	$ 8,803

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.32	$ 2.62	$(0.81)
Receivables	16.96	18.30	10.88
Inventories	8.67	7.70	11.10
Marketable securities	0.67	0.00	0.00
Other current assets	1.18	1.11	1.45
	28.80	29.73	22.62
Plant Investment:			
Land and building	8.87	7.75	8.83
Machinery and equipment	33.50	36.97	45.66
Other fixed assets	2.80	2.02	5.57
	45.17	46.74	60.06
Non-Current Assets	2.01	3.45	0.05
TOTAL INVESTMENT	75.98	79.92	82.73
INVESTMENT TURNOVER PER $100 OF SALES	131.61%	125.13%	120.88%
EARNINGS			
Cost of Product	$80.40	$77.54	$83.04
Selling Expenses	6.48	5.71	3.50
Administrative Expenses	8.28	6.78	11.70
	95.16	90.03	98.24
Income Before Interest, Other Income (Expense), and Taxes	4.84	9.97	1.76
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.37%	12.48%	2.13%

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 0.81	$ 1.72	$ 2.78	$ 1.68	$ 2.85
16.47	18.19	21.11	17.31	18.69
8.00	8.31	8.79	9.03	7.12
0.00	2.27	0.00	0.02	0.00
0.98	0.56	1.32	1.75	0.71
26.26	31.05	34.00	29.79	29.37
9.12	6.30	6.64	10.66	9.02
37.37	36.34	48.28	26.78	30.45
2.98	2.95	2.87	2.13	1.38
49.47	45.59	57.79	39.57	40.85
0.87	1.22	0.82	3.71	4.64
76.60	77.86	92.61	73.07	74.86
130.55%	128.44%	107.98%	136.86%	133.58%
$82.08	$81.83	$79.20	$77.72	$76.16
5.98	5.57	5.06	7.99	6.52
8.76	7.61	6.62	7.94	7.20
96.82	95.01	90.88	93.65	89.88
3.18	4.99	9.12	6.35	10.12
4.15%	6.41%	9.85%	8.69%	13.52%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	47.16	43.70
FACTORY EXPENSES	20.32	17.83
TOTAL FACTORY COST OF PRODUCT	67.48	61.53
GROSS PROFIT	32.52	38.47
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.75	10.43
Selling expenses	12.10	11.99
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.85	22.42
INCOME BEFORE INTEREST EXPENSE	6.67	16.05
Interest expense	3.14	0.63
OPERATING INCOME (LOSS)	3.53	15.42
Other income	1.37	1.34
INCOME BEFORE INCOME TAXES	4.90	16.76

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X
X	X	X
100.00%	100.00%	100.00%
51.96	42.20	42.82
23.14	22.32	21.67
75.10	64.52	64.49
24.90	35.48	35.51
14.84	13.19	11.53
7.11	8.51	8.07
21.95	21.70	19.60
2.95	13.78	15.91
3.54	3.71	3.26
(0.59)	10.07	12.65
2.20	2.76	3.54
1.61	12.83	16.19

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.34%	4.28%
Direct wages	30.74	22.00
General factory salaries and wages	4.91	8.17
Packing, shipping and delivery wages	0.74	1.01
Payroll taxes	3.43	3.07
Employee benefits	4.00	5.17
TOTAL FACTORY PAYROLL	47.16	43.70
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.59	0.61
Depreciation - other	4.08	3.45
Taxes - real estate	0.38	0.42
Taxes - other	0.29	0.63
Insurance	0.89	0.58
Building rent	1.16	(0.32)
Utilities - heat, light, etc.	2.19	2.26
Equipment rental	0.39	0.21
Total Fixed Expenses	9.97	7.84
Other Expenses		
Factory supplies and expense	4.93	6.27
Packing, shipping and delivery expense	1.17	0.97
Repairs and maintenance	2.80	1.56
Other factory expenses	1.45	1.19
Total Other Expenses	10.35	9.99
TOTAL FACTORY EXPENSES	20.32	17.83
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.23	2.98
Salaries - office	3.66	2.32
Payroll taxes	0.49	0.40
Employee benefits	0.98	0.79
Bad debts	0.64	0.58
Office supplies and expenses	0.77	0.27
Professional fees	0.92	0.28
Taxes - business	0.34	0.38
Telephone	0.64	0.39
Other administrative expenses	2.08	2.04
TOTAL ADMINISTRATIVE EXPENSES	13.75	10.43
SELLING EXPENSES		
Salaries - executive	1.43	0.96
Salaries and commissions - salesmen	5.47	4.47
Salaries - sales office clerical	1.11	2.39
Payroll taxes	0.47	0.39
Employee benefits	0.45	0.72
Advertising	0.43	0.17
Travel and entertainment	0.95	0.80
Other selling expenses	1.79	2.09
TOTAL SELLING EXPENSES	12.10	11.99

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.02%	2.52%	2.11%
34.47	29.05	29.19
6.20	3.10	3.22
1.65	1.05	1.40
3.86	2.69	2.61
4.76	3.79	4.29
51.96	42.20	42.82
0.26	0.39	0.45
5.46	7.12	7.02
0.15	0.20	0.25
0.95	0.23	0.13
0.26	0.70	0.77
2.75	1.32	1.05
2.80	1.85	1.70
0.27	0.16	0.22
12.90	11.97	11.59
1.77	3.98	3.96
2.52	2.40	2.72
3.27	3.16	2.99
2.68	0.81	0.41
10.24	10.35	10.08
23.14	22.32	21.67
3.28	2.03	2.33
3.09	4.10	2.71
0.50	0.47	0.37
0.67	0.99	1.21
0.21	0.95	0.57
0.40	0.60	0.53
1.78	0.75	0.76
0.40	0.48	0.46
0.41	0.63	0.60
4.10	2.19	1.99
14.84	13.19	11.53
1.74	0.92	0.90
2.67	3.98	3.37
0.65	1.13	1.11
0.22	0.24	0.18
0.22	0.28	0.36
0.31	0.12	0.15
0.59	1.32	1.38
0.71	0.52	0.62
7.11	8.51	8.07

CHAPTER 2 - BY PROCESS SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	21.46	18.86
Other chargeable materials	7.10	9.47
Outside services	7.33	6.61
TOTAL MATERIALS	35.89	34.94
FACTORY PAYROLL	30.32	28.43
FACTORY EXPENSES	12.97	11.57
TOTAL FACTORY COST OF PRODUCT	79.18	74.94
GROSS PROFIT	20.82	25.06
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	8.72	6.74
Selling expenses	7.81	7.81
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.53	14.55
INCOME BEFORE INTEREST EXPENSE	4.29	10.51
Interest expense	1.95	0.41
OPERATING INCOME (LOSS)	2.34	10.10
Other income	0.80	0.86
INCOME BEFORE INCOME TAXES	3.14	10.96

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	1.17%	1.84%
Film	1.58	1.58
Plates	1.81	1.98
Other chargeable materials	2.54	4.07
TOTAL OTHER CHARGEABLE MATERIALS	7.10	9.47
OUTSIDE SERVICES		
Composition	1.01	6.12
Offset preparation	0.80	0.27
Printing	0.39	0.00
Binding	4.19	0.00
Other outside services	0.94	0.22
TOTAL OUTSIDE SERVICES	7.33	6.61

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%
28.33	29.43	28.32
7.38	5.10	5.59
4.08	10.27	6.14
39.79	44.80	40.05
32.03	23.59	25.81
14.04	12.09	12.90
85.86	80.48	78.76
14.14	19.52	21.24
8.79	7.08	6.92
4.18	4.67	4.82
12.97	11.75	11.74
1.17	7.77	9.50
2.06	2.00	1.92
(0.89)	5.77	7.58
1.36	1.59	2.10
0.47	7.36	9.68
1.54%	0.83%	0.91%
1.07	1.03	1.06
1.15	1.67	1.82
3.62	1.57	1.80
7.38	5.10	5.59
1.65	0.23	0.27
0.14	0.36	0.20
0.43	0.40	0.52
0.91	7.24	2.19
0.95	2.04	2.96
4.08	10.27	6.14

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.13%	2.79%
Direct wages	19.72	14.26
General factory salaries and wages	3.29	5.36
Packing, shipping and delivery wages	0.45	0.64
Payroll taxes	2.24	2.00
Employee benefits	2.49	3.38
TOTAL FACTORY PAYROLL	30.32	28.43
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.38	0.40
Depreciation - other	2.55	2.25
Taxes - real estate	0.25	0.27
Taxes - other	0.18	0.41
Insurance	0.56	0.38
Building rent	0.83	(0.21)
Utilities - heat, light, etc.	1.41	1.46
Equipment rental	0.26	0.14
Total Fixed Expenses	6.42	5.10
Other Expenses		
Factory supplies and expense	3.16	4.05
Packing, shipping and delivery expense	0.73	0.62
Repairs and maintenance	1.77	1.02
Other factory expenses	0.89	0.78
Total Other Expenses	6.55	6.47
TOTAL FACTORY EXPENSES	12.97	11.57
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.00	1.96
Salaries - office	2.40	1.49
Payroll taxes	0.31	0.26
Employee benefits	0.59	0.50
Bad debts	0.37	0.38
Office supplies and expenses	0.49	0.17
Professional fees	0.61	0.19
Taxes - business	0.20	0.24
Telephone	0.40	0.25
Other administrative expenses	1.35	1.30
TOTAL ADMINISTRATIVE EXPENSES	8.72	6.74
SELLING EXPENSES		
Salaries - executive	0.89	0.62
Salaries and commissions - salesmen	3.65	2.95
Salaries - sales office clerical	0.68	1.55
Payroll taxes	0.31	0.25
Employee benefits	0.28	0.47
Advertising	0.26	0.11
Travel and entertainment	0.61	0.52
Other selling expenses	1.13	1.34
TOTAL SELLING EXPENSES	7.81	7.81

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
0.59%	1.41%	1.28%
21.16	16.05	17.52
3.81	1.84	1.97
0.94	0.63	0.84
2.45	1.50	1.58
3.08	2.16	2.62
32.03	23.59	25.81
0.17	0.23	0.27
3.31	3.83	4.13
0.11	0.12	0.15
0.59	0.12	0.08
0.17	0.40	0.46
1.52	0.67	0.61
1.75	1.00	1.02
0.17	0.10	0.14
7.79	6.47	6.86
1.07	2.19	2.41
1.51	1.32	1.60
2.03	1.71	1.79
1.64	0.40	0.24
6.25	5.62	6.04
14.04	12.09	12.90
1.99	1.17	1.40
1.85	2.09	1.64
0.31	0.24	0.22
0.40	0.58	0.74
0.12	0.46	0.33
0.23	0.32	0.32
1.11	0.41	0.45
0.23	0.27	0.27
0.25	0.33	0.35
2.30	1.21	1.20
8.79	7.08	6.92
1.03	0.50	0.54
1.57	2.08	1.98
0.39	0.68	0.68
0.13	0.13	0.11
0.14	0.17	0.22
0.18	0.07	0.09
0.35	0.73	0.82
0.39	0.31	0.38
4.18	4.67	4.82

BALANCE SHEET

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	1.33%	1.89%
Receivables	37.52	39.54
Inventories	18.34	14.41
Other current assets	2.17	0.28
TOTAL CURRENT ASSETS	59.36	56.12
FIXED ASSETS		
Real estate	16.23	19.59
Less: Accumulated depreciation	5.16	4.79
	11.07	14.80
Machinery and equipment	66.65	48.81
Less: Accumulated depreciation	41.83	21.59
	24.82	27.22
Other fixed assets	7.19	2.74
Less: Accumulated depreciation	4.31	1.09
	2.88	1.65
NET FIXED ASSETS	38.77	43.67
OTHER ASSETS	1.87	0.21
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	12.75	1.23
Accounts payable	14.24	11.05
Other current liabilities	14.76	18.45
TOTAL CURRENT LIABILITIES	41.75	30.73
LONG-TERM LIABILITIES	24.25	13.22
TOTAL LIABILITIES	66.00	43.95
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.00	56.05
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.42	1.83
QUICK RATIO	0.98	1.36
TOTAL LIABILITIES TO EQUITY	1.94	0.78
LONG-TERM LIABILITIES TO EQUITY	0.71	0.24
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.63	0.44

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.82%	5.53%	7.19%
26.38	30.16	27.88
14.70	14.51	12.98
8.55	2.02	2.67
52.45	52.22	50.72
8.03	10.31	11.49
4.12	3.04	3.73
3.91	7.27	7.76
62.40	61.71	67.67
29.47	28.90	34.06
33.93	32.81	33.61
5.44	3.24	3.19
2.30	1.67	1.81
3.14	1.57	1.38
40.98	41.65	42.75
6.57	6.13	6.53
100.00	100.00	100.00
34.30	8.18	6.85
17.52	16.66	12.09
7.88	9.65	11.24
59.70	34.49	30.18
19.50	31.46	30.83
79.20	65.95	61.01
20.80	34.05	38.99
100.00	100.00	100.00
0.88	1.51	1.68
0.63	1.09	1.25
3.81	1.94	1.56
0.94	0.92	0.79
0.47	0.47	0.50

SIGNIFICANT FACTS

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 29,555	$ 39,481
Average assets per factory employee (Excluding Executives)	39,467	50,476
Average net worth per employee - All employees	10,170	22,219
Average gross plant investment per factory employee (Excluding Executives)	34,353	34,708
Net worth percentage of fixed assets	91.49%	137.92%
EMPLOYEES		
Percent factory - All employees	80.89%	84.72%
Percent administrative - All employees	9.82	7.23
Percent sales - All employees	9.29	8.05
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 60,998	$ 75,793
Sales per factory employee	76,524	89,287
Sales less material per factory employee	47,494	58,308
Sales per administrative employee	731,402	1,385,179
EXCLUDING EXECUTIVES		
Sales per employee - All employees	66,801	83,430
Sales per factory employee	81,347	96,971
Sales less material per factory employee	50,475	63,340
SALES PER SALESMAN	982,751	2,230,185
SALES TO CURRENT ASSETS	363%	344%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	41.43%	38.48%
Factory payroll percentage of gross plant investment	83.66	79.77
Payroll per employee - All employees	$ 24,234	$ 28,881
Payroll per factory employee	21,884	25,097
Payroll per administrative employee	34,685	55,173
Payroll per sales employee	36,378	54,322
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 18,863	$ 21,364
Payroll per factory employee	17,668	19,249
Payroll per administrative employee	18,230	17,861
Payroll per sales employee	30,192	45,341
EXECUTIVE PAYROLL		
Payroll per executive - All executives	42,567	45,903
Payroll per factory executive	29,963	32,341
Payroll per administrative executive	60,448	91,858
Payroll per sales executive	45,130	73,660
RECEIVABLES		
Collection period	68.1	81.3
PROFIT		
Gross profit percentage of sales	20.82%	25.06%
Average gross profit per factory employee	$ 16,871	$ 24,826
Income before taxes percentage of sales	3.14%	10.96%
Average income before taxes per employee	$ 2,082	$ 8,765

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 41,354	$ 49,025	$ 49,031
49,168	63,529	60,530
12,879	16,312	18,405
37,388	46,569	49,102
62.88%	99.40%	119.69%
85.55%	82.10%	84.92%
8.72	11.27	8.43
5.73	6.63	6.65
$ 73,350	$ 85,948	$ 77,507
86,131	106,782	91,255
50,407	56,812	54,779
959,584	877,959	986,030
76,941	91,917	82,534
87,734	112,565	95,300
51,283	59,871	57,235
1,197,268	1,440,474	1,214,702
384%	362%	351%
39.84%	31.24%	33.34%
90.09	60.12	58.52
$ 27,325	$ 26,042	$ 25,858
25,230	23,671	23,491
38,836	35,982	40,093
42,092	48,718	45,738
$ 21,679	$ 20,601	$ 20,033
21,171	19,239	18,982
21,057	20,704	20,428
32,315	42,897	39,328
59,960	45,758	54,339
33,464	24,833	24,613
95,876	55,651	68,206
63,148	42,722	42,835
55.0	65.4	66.7
14.14%	19.52%	21.24%
$ 13,913	$ 21,702	$ 20,611
0.47%	7.36%	9.68%
$ 1,261	$ 5,992	$ 7,474

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 0.56	$ 1.00
Receivables	17.67	20.74
Inventories	9.05	7.51
Marketable securities	0.00	0.00
Other current assets	1.19	0.15
	28.47	29.40
Plant Investment:		
Land and building	8.32	10.81
Machinery and equipment	31.79	25.96
Other fixed assets	3.32	1.49
	43.43	38.26
Non-Current Assets	0.96	0.11
TOTAL INVESTMENT	72.86	67.77
INVESTMENT TURNOVER PER $100 OF SALES	137.25%	147.56%
EARNINGS		
Cost of Product	$79.18	$74.94
Selling Expenses	7.81	7.81
Administrative Expenses	8.72	6.74
	95.71	89.49
Income Before Interest, Other Income, and Taxes	4.29	10.51
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.89%	15.51%

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 1.77	$ 2.94	$ 3.87
14.51	16.91	17.24
7.91	8.09	7.91
5.68	0.02	0.00
0.84	1.22	1.66
30.71	29.18	30.68
6.22	6.25	6.93
37.63	37.11	43.33
2.88	1.89	1.99
46.73	45.25	52.25
3.42	3.90	4.59
80.86	78.33	87.52
123.67%	127.67%	114.26%
$85.86	$80.48	$78.76
4.18	4.67	4.82
8.79	7.08	6.92
98.83	92.23	90.50
1.17	7.77	9.50
1.45%	9.92%	10.85%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.73	42.78	48.21
FACTORY EXPENSES	21.44	20.90	18.65
TOTAL FACTORY COST OF PRODUCT	67.17	63.68	66.86
GROSS PROFIT	32.83	36.32	33.14
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.62	11.40	14.88
Selling expenses	10.59	9.05	10.35
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.21	20.45	25.23
INCOME BEFORE INTEREST EXPENSE	8.62	15.87	7.91
Interest expense	3.28	2.49	4.60
OPERATING INCOME	5.34	13.38	3.31
Other income	1.70	2.94	1.50
INCOME BEFORE INCOME TAXES	7.04	16.32	4.81

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.66%	2.55%	4.09%
Direct wages	30.40	27.67	32.41
General factory salaries and wages	4.59	4.60	3.65
Packing, shipping and delivery wages	1.06	1.51	0.42
Payroll taxes	3.12	2.50	3.54
Employee benefits	3.90	3.95	4.10
TOTAL FACTORY PAYROLL	45.73	42.78	48.21
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.54	0.52	0.35
Depreciation - other	5.18	5.99	3.73
Taxes - real estate	0.34	0.31	0.39
Taxes - other	0.31	0.42	0.29
Insurance	0.70	0.71	1.05
Building rent	1.44	0.80	1.19
Utilities - heat, light, etc.	2.00	1.79	2.47
Equipment rental	0.37	0.23	0.03
Total Fixed Expenses	10.88	10.77	9.50
Other Expenses			
Factory supplies and expense	4.48	4.24	4.00
Packing, shipping and delivery expense	1.75	2.46	1.30
Repairs and maintenance	2.99	2.54	2.24
Other factory expenses	1.34	0.89	1.61
Total Other Expenses	10.56	10.13	9.15
TOTAL FACTORY EXPENSES	21.44	20.90	18.65
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.60	2.30	4.58
Salaries - office	3.88	2.81	2.97
Payroll taxes	0.46	0.37	0.56
Employee benefits	1.02	1.07	0.64
Bad debts	0.50	0.54	1.40
Office supplies and expenses	0.72	0.45	0.54
Professional fees	0.86	0.65	1.32
Taxes - business	0.42	0.51	0.34
Telephone	0.60	0.49	0.62
Other administrative expenses	2.56	2.21	1.81
TOTAL ADMINISTRATIVE EXPENSES	13.62	11.40	14.88
SELLING EXPENSES			
Salaries - executive	1.34	0.98	0.82
Salaries and commissions - salesmen	4.77	3.50	4.76
Salaries - sales office clerical	1.12	1.47	1.18
Payroll taxes	0.35	0.22	0.47
Employee benefits	0.35	0.42	0.51
Advertising	0.34	0.19	0.25
Travel and entertainment	1.02	1.12	0.99
Other selling expenses	1.30	1.15	1.37
TOTAL SELLING EXPENSES	10.59	9.05	10.35

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	25.82	27.47	20.00
Other chargeable materials	6.15	6.82	7.82
Outside services	6.42	5.45	14.20
TOTAL MATERIALS	38.39	39.74	42.02
FACTORY PAYROLL	28.37	25.94	28.62
FACTORY EXPENSES	13.08	12.49	10.56
TOTAL FACTORY COST OF PRODUCT	79.84	78.17	81.20
GROSS PROFIT	20.16	21.83	18.80
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.34	6.87	8.31
Selling expenses	6.62	5.47	6.03
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.96	12.34	14.34
INCOME BEFORE INTEREST EXPENSE	5.20	9.49	4.46
Interest expense	1.95	1.45	2.62
OPERATING INCOME	3.25	8.04	1.84
Other income	0.97	1.73	0.90
INCOME BEFORE INCOME TAXES	4.22	9.77	2.74

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.91%	1.05%	1.73%
Film	1.44	1.30	1.10
Plates	1.62	1.74	1.95
Other chargeable materials	2.18	2.73	3.04
TOTAL OTHER CHARGEABLE MATERIALS	6.15	6.82	7.82
OUTSIDE SERVICES			
Composition	0.57	0.30	2.50
Offset preparation	0.80	0.30	0.53
Printing	0.59	0.60	0.63
Binding	2.86	1.66	10.08
Other outside services	1.60	2.59	0.46
TOTAL OUTSIDE SERVICES	6.42	5.45	14.20

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.66%	1.57%	2.40%
Direct wages	18.77	16.66	19.05
General factory salaries and wages	2.94	2.84	2.42
Packing, shipping and delivery wages	0.63	0.90	0.23
Payroll taxes	1.97	1.54	2.12
Employee benefits	2.40	2.43	2.40
TOTAL FACTORY PAYROLL	28.37	25.94	28.62
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.34	0.32	0.20
Depreciation - other	3.06	3.54	1.99
Taxes - real estate	0.22	0.19	0.23
Taxes - other	0.19	0.25	0.15
Insurance	0.44	0.43	0.61
Building rent	0.90	0.44	0.74
Utilities - heat, light, etc.	1.23	1.09	1.48
Equipment rental	0.25	0.14	0.02
Total Fixed Expenses	6.63	6.40	5.42
Other Expenses			
Factory supplies and expense	2.75	2.60	2.49
Packing, shipping and delivery expense	1.06	1.44	0.62
Repairs and maintenance	1.83	1.52	1.19
Other factory expenses	0.81	0.53	0.84
Total Other Expenses	6.45	6.09	5.14
TOTAL FACTORY EXPENSES	13.08	12.49	10.56
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.63	1.39	2.54
Salaries - office	2.37	1.70	1.65
Payroll taxes	0.29	0.23	0.30
Employee benefits	0.61	0.66	0.36
Bad debts	0.29	0.32	0.68
Office supplies and expenses	0.44	0.27	0.30
Professional fees	0.53	0.38	0.86
Taxes - business	0.25	0.30	0.20
Telephone	0.37	0.29	0.35
Other administrative expenses	1.56	1.33	1.07
TOTAL ADMINISTRATIVE EXPENSES	8.34	6.87	8.31
SELLING EXPENSES			
Salaries - executive	0.82	0.58	0.41
Salaries and commissions - salesmen	3.02	2.09	2.89
Salaries - sales office clerical	0.68	0.91	0.70
Payroll taxes	0.22	0.14	0.28
Employee benefits	0.22	0.26	0.31
Advertising	0.20	0.11	0.12
Travel and entertainment	0.63	0.67	0.53
Other selling expenses	0.83	0.71	0.79
TOTAL SELLING EXPENSES	6.62	5.47	6.03

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	2.72%	5.26%	1.46%
Receivables	33.84	29.62	35.30
Inventories	16.61	12.76	18.22
Other current assets	2.23	1.96	1.62
TOTAL CURRENT ASSETS	55.40	49.60	56.60
FIXED ASSETS			
Real estate	13.31	14.19	21.83
Less: Accumulated depreciation	4.43	4.17	2.26
	8.88	10.02	19.57
Machinery and equipment	62.32	62.94	64.67
Less: Accumulated depreciation	33.08	30.02	45.49
	29.24	32.92	19.18
Other fixed assets	5.74	3.45	6.13
Less: Accumulated depreciation	3.04	1.70	4.34
	2.70	1.75	1.79
NET FIXED ASSETS	40.82	44.69	40.54
OTHER ASSETS	3.78	5.71	2.86
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	13.76	4.98	15.73
Accounts payable	14.14	11.73	22.20
Other current liabilities	12.21	13.21	15.21
TOTAL CURRENT LIABILITIES	40.11	29.92	53.14
LONG-TERM LIABILITIES	26.28	29.04	27.07
TOTAL LIABILITIES	66.39	58.96	80.21
SHAREHOLDERS' AND PROPRIETORS' EQUITY	33.61	41.04	19.79
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.38	1.66	1.07
QUICK RATIO	0.97	1.23	0.72
TOTAL LIABILITIES TO EQUITY	1.98	1.44	4.05
LONG-TERM LIABILITIES TO EQUITY	0.78	0.71	1.37
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.53	0.48	0.70

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 35,250	$ 45,714	$ 41,035
Average assets per factory employee (Excluding Executives)	45,502	56,770	56,410
Average net worth per employee - All employees	11,577	17,877	11,340
Average gross plant investment per factory employee (Excluding Executives)	36,120	45,248	45,461
Net worth percentage of fixed assets	95.12%	110.22%	40.58%
EMPLOYEES			
Percent factory - All employees	81.81%	84.44%	80.32%
Percent administrative - All employees	9.84	8.61	12.16
Percent sales - All employees	8.35	6.95	7.52
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 66,299	$ 74,877	$ 83,034
Sales per factory employee	81,856	88,695	105,686
Sales less material per factory employee	48,637	53,256	58,164
Sales per administrative employee	735,015	917,253	955,689
EXCLUDING EXECUTIVES			
Sales per employee - All employees	70,941	79,949	93,675
Sales per factory employee	85,769	92,787	114,644
Sales less material per factory employee	51,006	55,767	63,061
SALES PER SALESMAN	1,128,833	1,398,276	1,324,273
SALES TO CURRENT ASSETS	371%	360%	375%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.23%	33.90%	38.06%
Factory payroll percentage of gross plant investment	80.58	59.15	66.83
Payroll per employee - All employees	$ 24,003	$ 25,153	$ 29,285
Payroll per factory employee	21,761	22,757	26,779
Payroll per administrative employee	33,062	36,715	42,444
Payroll per sales employee	37,780	45,381	50,242
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,938	$ 19,758	$ 22,905
Payroll per factory employee	17,810	18,606	21,606
Payroll per administrative employee	19,065	19,623	18,330
Payroll per sales employee	31,843	38,745	42,538
EXECUTIVE PAYROLL			
Payroll per executive - All executives	44,985	49,774	39,819
Payroll per factory executive	26,900	27,515	32,105
Payroll per administrative executive	58,959	62,652	64,699
Payroll per sales executive	46,715	45,862	36,665
RECEIVABLES			
Collection period	66.0	68.9	63.6
PROFIT			
Gross profit percentage of sales	20.16%	21.83%	18.80%
Average gross profit per factory employee	$ 17,205	$ 20,441	$ 21,949
Income before taxes percentage of sales	4.22%	9.77%	2.74%
Average income before taxes per employee	$ 3,002	$ 7,322	$ 3,200

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.33	$ 2.83	$ 0.73
Receivables	17.15	17.71	16.47
Inventories	8.64	7.57	8.88
Marketable securities	0.01	0.00	0.00
Other current assets	1.27	1.21	0.88
	28.40	29.32	26.96
Plant Investment:			
Land and building	7.24	8.28	14.08
Machinery and equipment	32.93	38.84	29.23
Other fixed assets	2.87	2.09	2.49
	43.04	49.21	45.80
Non-Current Assets	2.25	3.83	1.25
TOTAL INVESTMENT	73.69	82.36	74.01
INVESTMENT TURNOVER PER $100 OF SALES	135.70%	121.42%	135.12%
EARNINGS			
Cost of Product	$79.84	$78.17	$81.20
Selling Expenses	6.62	5.47	6.03
Administrative Expenses	8.34	6.87	8.31
	94.80	90.51	95.54
Income Before Interest, Other Income, and Taxes	5.20	9.49	4.46
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.06%	11.52%	6.03%

** Sample insufficient for Profit Leaders.

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	34	$ 5,607,000	$10,074,000	$ 529,000
TOTAL - PROFIT LEADERS*	10	7,998,000	13,976,000	1,413,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	2	719,000	1,262,000	(19,000)
$1,500,000-$5,000,000	9	1,652,000	3,297,000	49,000
$5,000,000-$10,000,000	10	4,156,000	7,659,000	341,000
Over $10,000,000	13	10,214,000	17,979,000	1,090,000
PROFIT LEADERS				
$5,000,000-$10,000,000	3	4,766,000	7,369,000	765,000
Over $10,000,000	6	10,573,000	18,910,000	1,910,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	20	5,375,000	10,182,000	471,000
Web-Fed Offset	4	5,029,000	8,235,000	315,000
Combination--Sheet-Fed/Web-Fed Offset	9	6,577,000	11,244,000	808,000
PROFIT LEADERS				
Sheet-Fed Offset	3	11,057,000	20,672,000	2,177,000
Combination--Sheet-Fed/Web-Fed Offset	6	6,753,000	11,101,000	1,054,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	27	6,050,000	10,880,000	559,000
Printing Only	6	3,222,000	6,517,000	459,000
PROFIT LEADERS				
Printing and Binding	9	8,019,000	13,699,000	1,305,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 42.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	